GOVERNMENT OF INDIA
FOOD PROCESSING INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:3096
ANSWERED ON:06.12.2007
SUBSIDY TO AGRO BASED INDUSTRIES
Patel Shri Kishanbhai Vestabhai

Will the Minister of FOOD PROCESSING INDUSTRIES be pleased to state:

(a) whether the Government proposes to give interest subsidy to the agro based industry which is seeking bank loans;

(b) if so, whether the Ministry of Food Processing has discussed the said proposal with other concerned Ministries;

(c) if so, the details and the reaction of each of such Ministries; and

(d) the time by which it is likely to be finalised?

Answer

THE MINISTER OF STATE FOR FOOD PROCESSING INDUSTRIES (SHRI SUBODH KANT SAHAI)

(A) TO (D): THE MINISTRY OF FOOD PROCESSING INDUSTRIES (MFPI) UNDER ITS PLAN SCHEME FOR TECHNOLOGY UPGRADATION/MODERNIZATION/ESTABLISHMENT OF F O O D PROCESSING INDUSTRIES, EXTENDS FINANCIAL ASSISTANCE IN THE FORM OF GRANT-IN-AID @ 25% OF THE COST OF PLANT & MACHINERY AND TECHNICAL CIVIL WORKS SUBJECT TO A MAXIMUM OF RS.50 LAKHS IN GENERAL AREAS OR 33.33% SUBJECT TO A MAXIMUM OF RS.75 LAKHS IN DIFFICULT AREAS TO IMPLEMENTING AGENCIES/ENTREPRENEURS FOR SETTING UP/MODERNIZATION/ TECHNOLOGY UPGRADATION OF FOOD PROCESSING INDUSTRIES.

The Ministry has submitted a scheme to Planning Commission, which envisages providing financial assistance for setting up of thirty Mega Food Parks in the country during 11th Five Year Plan period. The scheme which is project oriented, aims to provide a mechanism to bring together farmers, processors and retailers and link agricultural production to the market so as to ensure maximization of value addition, minimization of wastages and improving farmers' income. Mega Food park envisages a well- defined agri/horticultural-processing zone containing state of the art processing facilities with support infrastructure and well established supply chain. The primary objective of the scheme is to facilitate establishment of an integrated value chain, with processing at the core and supported by requisite forward and backward linkages. Under the scheme, financial assistance in the form of grant-in-aid upto 50% of the project cost in general areas and upto 75% of the project cost in special category states subject to a maximum of Rs. 50.00 crore or the cost of approved facilities, whichever is lower, has been envisaged for all implementing agencies.

In addition, assistance in the form of grant to private sector/public sector organisations is being given under the schemes for setting up of food testing labs, implementation of quality systems such as HACCP, ISO 9000, GHP and GMP practices, promotion of research and development, capacity building and human resource development and other promotional activities. In the 11th Plan, it has also been proposed to continue assistance under the above schemes with higher levels of assistance.

The Ministry of Food Processing Industries has no proposal to give interest subsidy to agro based industry in view of the capital subsidy in the form of grant being given to the industry under its various schemes as indicated above.